

RECORDATION NO. 26081 -C FILED

JUN 30 '11 -3 30 PM

SURFACE TRANSPORTATION BOARD

ALVORD AND ALVORD
ATTORNEYS AT LAW
1050 SEVENTEENTH STREET, N W
SUITE 301
WASHINGTON, D C
20036

ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

(202) 393-2266
FAX (202) 393-2156
E-MAIL alvordlaw@aol.com

June 30, 2011

Chief
Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, S W
Washington, D.C 20423

Dear Section Chief,

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Memorandum of Assignment and Assumption Agreement, dated as of June 30, 2011, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Memorandum of Net Railcar Lease and related documents previously filed with the Board under Recordation Number 26081.

The names and addresses of the parties to the enclosed document are:

Assignor: GATX Corporation (successor in interest to
Babcock & Brown Rail Funding LLC)
4 Embarcadero Center, Suite 2100
San Francisco, CA 94111

Assignee: First Union Rail Corporation
One O'Hare Center
6250 River Road, Suite 5000
Rosemont, IL 60018

Chief
Section of Administration
June 30, 2011
Page 2

The railroad equipment covered by the enclosed document is unchanged from the original filing and consists of the following:

123 hopper railcars within the series TVAX 25377 – TVAX 25624
as more particularly set forth in the attachment to the document

A short summary of the document to appear in the index is:

Memorandum of Assignment and Assumption Agreement.

Also enclosed is a check in the amount of \$41.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Robert W. Alvord', with a stylized flourish at the end.

Robert W. Alvord

RWA/sem
Enclosures

JUN 30 '11

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SURFACE TRANSPORTATION BOARD

MEMORANDUM OF ASSIGNMENT AND ASSUMPTION AGREEMENT

This MEMORANDUM OF ASSIGNMENT AND ASSUMPTION AGREEMENT is dated as of June 30, 2011, by and between GATX Corporation, a New York corporation ("Assignor"), successor in interest to Babcock & Brown Rail Funding LLC, and First Union Rail Corporation, a North Carolina corporation ("Assignee").

WITNESSETH:

1. Assignor, as lessor, entered into that certain Master Net Railcar Lease dated as of August 10, 2005 (the "Master Lease"), that certain Schedule No. 05 To Master Net Railcar Lease dated as of December 14, 2005 (the "Schedule") and that certain Lease Extension Agreement No. 01 to Schedule No. 05 to Master Net Railcar Lease entered into as of August 5, 2008 and effective as of December 29, 2008 (the "Extension" and together with the Schedule and the Master Lease to the extent incorporated therein, the "Lease"), with Tennessee Valley Authority, as lessee, for certain railcars described in Exhibit A attached hereto (the "Railcars").

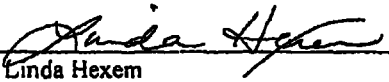
2. Assignor and Assignee have entered into that certain Assignment and Assumption Agreement dated as of June 30, 2011, which is evidenced by this Memorandum of Assignment and Assumption Agreement with respect to the Lease and the Railcars.

3. This Memorandum of Assignment and Assumption Agreement may be executed in any number of counterparts, each of which shall be an original, all of which when taken together shall constitute one agreement binding on all parties, notwithstanding that all parties are not signatories to the same counterpart.

[SIGNATURE PAGE FOLLOWS.]

IN WITNESS WHEREOF, each of the parties hereto has caused this Memorandum of Assignment and Assumption Agreement to be executed by their duly authorized officers as of the date first written above.

GATX Corporation,
as Assignor

By: 
Name: Linda Hexem
Title: Vice President and Managing Director,
Structured Finance

First Union Rail Corporation,
as Assignee

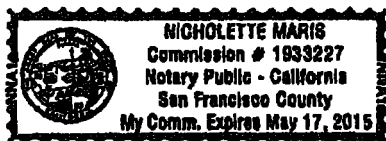
By: _____
Name: _____
Title: _____

STATE OF CALIFORNIA)
)
COUNTY OF SAN FRANCISCO)

On June 24, 2011, before me, Nicholette Maris, Notary Public, personally appeared Linda Hexem, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her authorized capacity, and that by her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

Witness my hand and official seal.



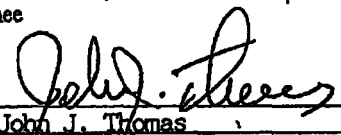
Nicholette Maris
Notary Public
My Commission expires, May 17, 2015

IN WITNESS WHEREOF, each of the parties hereto has caused this Memorandum of Assignment and Assumption Agreement to be executed by their duly authorized officers as of the date first written above

GATX Corporation,
as Assignor

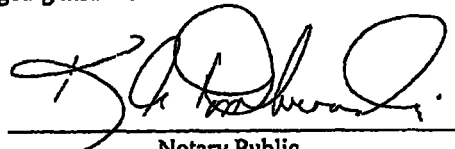
By _____
Name Linda Hexem
Title Vice President and Managing Director,
Structured Finance

First Union Rail Corporation,
as Assignee

By: 
Name John J. Thomas
Title President

STATE OF ILLINOIS)
)
COUNTY OF COOK)

On this 30th day of June, 2011 before me personally appeared John I. Thomas,
to me personally known, who being by me duly sworn, says that he is the
President of First Union Rail Corporation, that said instrument was signed
and sealed on behalf of said corporation by authority of its Board of Directors, and he
acknowledged that the execution of the foregoing instrument was the free act and deed of
said corporation.



Notary Public

My Commission expires October 7, 2013

[Notary Seal]

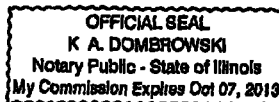


EXHIBIT A

DESCRIPTION OF CARS

4,200 cu.ft. aluminum body rotary AutoFlood III open top hopper railcars, 286,000 lbs.
GRL.

QUANTITY

One hundred and twenty-three (123).

CAR NUMBER

TVAX 25377, 25390, 25477, 25478, 25491, 25492, 25503, and 25507 – 25624, inclusive
(excluding TVAX 25526 and 25596).

CERTIFICATION

I, Robert W. Alvord, attorney licensed to practice in the State of New York and the District of Columbia, do hereby certify under penalty of perjury that I have compared the attached copy with the original thereof and have found the copy to be complete and identical in all respects to the original document.

Dated

6/30/11



Robert W. Alvord